

NOTICE OF PACIFIC GAS AND ELECTRIC COMPANY'S REQUEST TO INCREASE RATES FOR THE CATASTROPHIC EVENT MEMORANDUM ACCOUNT (CEMA) (A.19-09-012)

Summary

On September 13, 2019, Pacific Gas and Electric Company (PG&E) filed its 2019 Catastrophic Event Memorandum Account (CEMA) application with the California Public Utilities Commission (CPUC).

The application seeks recovery of \$159.3 million for costs related to PG&E's 2017 and 2018 fire and storm emergency response. The scope of this application is thirteen catastrophic events, including multiple wildfires and a storm spanning from mid-2017 through 2018. This application does not include the 2015 Butte Fire, 2017 North Bay Fires or the 2018 Camp Fire.

If the CPUC approves this application, PG&E will begin to recover costs in electric and gas rates beginning January 1, 2021. PG&E is proposing the recovery of costs and any rate increase to mostly occur over one-year starting in 2021, with smaller amounts recovered in 2022.

Background

CEMA is used to record unexpected costs incurred as a result of significant events declared to be disasters by the state of California or federal authorities. Costs are related to the following:

- Safely restoring utility services to customers during declared natural disasters
- Repairing, replacing or restoring damaged utility facilities
- Complying with governmental agency orders

Climate change is affecting weather patterns and field conditions in California, including extreme weather, drought, heat waves, and changes in precipitation levels and timing. This is leading to more frequent declared emergencies and larger-scale response events.

How will the application affect electric rates?

Most customers receive bundled electric service from PG&E, meaning they receive electric generation, transmission and distribution services. A summary of the proposed rate impact for these customers is provided below.



PROPOSED ELECTRIC RATE INCREASE

Customer Class	Current Average (¢/kWh) As of 7/1/2019	Proposed Average (¢/kWh) As of 1/1/2021	Total Change (¢/kWh)	Total Percentage Change
Bundled Service				
Residential	21.52	21.77	0.25	1.2%
Small Commercial	24.95	25.22	0.27	1.1%
Medium Commercial	22.32	22.49	0.18	0.8%
Large Commercial	19.80	19.92	0.12	0.6%
Streetlights	25.84	25.99	0.15	0.6%
Standby	15.88	15.96	0.08	0.5%
Agriculture	21.20	21.42	0.22	1.0%
Industrial	15.86	15.92	0.06	0.4%
Average System Rate Change	20.70	20.89	0.19	0.9%

Based on rates currently in effect, the bill for a typical residential Non-CARE customer using 500 kWh per month would increase from \$118.05 to \$119.41 or 1.1%. Actual impacts will vary depending on energy usage.

Direct Access and Community Choice Aggregation customers only receive electric transmission and distribution services from PG&E. On average, these customers would see an increase of 1.5%.

Another category of nonbundled customers is Departing Load. These customers do not receive electric generation, transmission or distribution services from PG&E. However, these customers are required to pay certain charges by law or CPUC decision. The impact of PG&E's application on these customers is an average increase of 0.5%.

How will the application affect gas rates?

Bundled gas customers receive transmission, distribution, and procurement services from PG&E. Based on rates currently in effect, the gas bill for a typical residential non-CARE customer averaging 34 therms per month would increase from \$53.56 to \$53.59, or 0.05%.

How do I find out more about PG&E's proposals?

If you have questions about PG&E's filing, please contact PG&E at **1-800-743-5000**. For TTY, call **1-800-652-4712**. If you would like a copy of PG&E's filing and exhibits, please write to PG&E at the address below:

Pacific Gas and Electric Company
2019 CEMA Application (A.19-09-012)
P.O. Box 7442
San Francisco, CA 94120

A copy of PG&E's filing and exhibits is also available for review at the CPUC's Central Files Office by appointment only. For more information, contact aljcentralfilesid@cpuc.ca.gov or **1-415-703-2045**. PG&E's Application (without exhibits) is available on the CPUC's website at www.cpuc.ca.gov.

CPUC process

This application will be assigned to an Administrative Law Judge (Judge) who will determine how to receive evidence and other related information necessary for the CPUC to establish a record upon which to base its decision. Evidentiary hearings (EHs) may be held where parties will present their testimony and may be subject to cross-examination by other parties. These EHs are open to the public, but only those who are formal parties in the case can participate.

After considering all proposals and evidence presented during the hearings, the assigned Judge will issue a proposed decision which may adopt PG&E's proposal, modify it or deny it. Any of the five CPUC Commissioners may sponsor an alternate decision. The proposed decision, and any alternate decisions, will be discussed and voted upon at a scheduled CPUC Voting Meeting that is open to the public.

The California Public Advocates Office (CalPA) may review this application. CalPA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. CalPA has a multidisciplinary staff with expertise in economics, finance, accounting and engineering. For more information about CalPA, please call **1-415-703-1584**, email PublicAdvocatesOffice@cpuc.ca.gov or visit CalPA's website at www.publicadvocates.cpuc.ca.gov.

Stay informed

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at: <http://subscribecpuc.cpuc.ca.gov>.

If you would like to learn how you can participate in the proceeding, have informal comments about the application or have questions about the CPUC processes, you may access the CPUC's Public Advisor Office (PAO) webpage at <http://consumers.cpuc.ca.gov/pao/>.

You may also contact the PAO as follows:

Email: public.advisor@cpuc.ca.gov

Mail: CPUC
Public Advisor's Office
505 Van Ness Avenue
San Francisco, CA 94102

Call: 1-866-849-8390 (toll-free) or 1-415-703-2074

TTY: 1-866-836-7825 (toll-free) or 1-415-703-5282

Please reference **PG&E's 2019 CEMA Application (A.19-09-012)** in any communications you have with the CPUC regarding this matter. All public comments will become part of the public correspondence file for this proceeding and made available for review by the assigned Judge, Commissioners and appropriate CPUC staff.